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DEC 1, 2005



**BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES**



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**PUBLISHED:  
EFFECTIVE:**

**December 1, 2005  
January 1, 2006  
12:01 a.m.**

**PRODUCER CLASS I PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%  
CLASS I BUTTERFAT PRICE PER POUND**

**\$16.12 /CWT  
\$1.69 /LB**

**EFFECTIVE JANUARY 1, 2006:**

The minimum price to pay milk producers, under ARM 32.24.301, is **\$16.12**  
per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of  
16.9 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer  
payment. The value of one pound of butterfat utilized will be \$1.69.

**PRODUCER CLASS II PRICE IN MONTANA**

REF: ARM 32.24.301(6)

**CLASS II PRICE FOR MILK TESTING 3.5%**

**\$13.03 /CWT**

Average spray process dry milk solids  
price per pound = \$1.06500  
Multiplied by 8.2 x 8.2  
  
\$8.73300  
  
Last quote of the month for Grade AA butter  
minus a differential of \$.0895 = \$1.31050  
Multiplied by 4.2 x 4.2  
  
\$5.50410

**STATE DOCUMENTS COLLECTION**

DEC 05 2005

**MONTANA STATE LIBRARY  
1515 E. 6th AVE.  
HELENA, MONTANA 59620**

**\$8.73300**

**LESS a make allowance of 8.5% ( \$14.2371 X .085)**

**+ \$5.50410  
\$14.23710  
- \$1.21015  
\$13.02695**

**Rounded to the nearest whole cent = \$13.03 /hundredweight.**

**CLASS II BUTTERFAT PRICE PER POUND****\$1.45 /LB**

Last quote of the month for Grade AA butter  
 minus a differential of \$.0895 =  
 Rounded to the nearest half cent

\$1.31050 X .111 )

= \$0.14547

= \$0.145

Butterfat value per pound  
 for milk at 3.5% test:

\$1.45

Hundredweight price of milk testing 3.5%  
 LESS 3.5 pounds of butterfat at  
 Value of 96.5 pounds of skim

\$1.45 per pound

= \$13.03

= \$5.075

= \$7.955

**CLASS II VALUE OF  
 ONE POUND OF SKIM**

7.955 / 96.5 pounds)

= \$0.08244 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$11.12 /CWT**

3.5 pounds of butterfat  
 96.5 pounds of skim

x

\$1.18 per pound =

\$4.130

x

\$0.07248 per pound =

\$6.995

\$11.125 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$1.18 /LB**

Last quote of the month for Grade AA butter  
 minus a difference of \$.0895 =  
 LESS 10% -

\$1.31050

\$0.13105

\$1.17945

Rounded to the nearest whole cent =

\$1.18 per pound.

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$7.24839 /CWT**

Avg. spray process dry milk solid price/lb =  
 Multiplied by 8.2 x

\$1.06500

8.2

\$8.73300

LESS 17% -

\$1.48461

\$7.24839

Rounded to the nearest whole cent =

\$7.25 per hundredweight.

**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Monte Nick*  
 Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.12 FOR 3.5% MILK 96.5 LBS = \$10.205			CLASS II SKIM PRICE BASED ON \$13.03 FOR 3.5% MILK 96.5 LBS = \$7.955			CLASS III SKIM PRICE BASED ON \$11.12 FOR 3.5% MILK 96.5 LBS = \$6.995		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-96	\$ 14.77	\$ 10.75	Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61
Feb-96	\$ 14.75	\$ 9.63	Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52
Mar-96	\$ 13.39	\$ 9.94	Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65
Apr-96	\$ 13.78	\$ 9.40	Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06
May-96	\$ 14.18	\$ 9.37	Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80
Jun-96	\$ 13.98	\$ 9.84	Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49
Jul-96	\$ 15.42	\$ 11.48	Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00
Aug-96	\$ 16.52	\$ 13.19	Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40
Sep-96	\$ 16.14	\$ 13.37	Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67
Oct-96	\$ 16.33	\$ 12.47	Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08
Nov-96	\$ 17.19	\$ 10.54	May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38
Dec-96	\$ 15.41	\$ 8.09	Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22
Jan-97	\$ 13.25	\$ 11.85	Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59
Feb-97	\$ 13.01	\$ 9.83	Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64
Mar-97	\$ 13.35	\$ 9.95	Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48
Apr-97	\$ 13.84	\$ 9.88	Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94
May-97	\$ 13.79	\$ 8.11	Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95
Jun-97	\$ 12.37	\$ 8.09	Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97
Jul-97	\$ 12.34	\$ 8.14	Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58
Aug-97	\$ 12.41	\$ 9.59	Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19
Sep-97	\$ 12.80	\$ 10.38	Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29
Oct-97	\$ 13.76	\$ 10.50	Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17
Nov-97	\$ 14.05	\$ 11.22	May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49
Dec-97	\$ 14.22	\$ 10.43	Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.87	\$ 10.61
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81
Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30
Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33
Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66
Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77
Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84	Nov-05		
Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79	Dec-05		
Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46	Jan-06		
Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15	Feb-06		
Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36	Mar-06		
Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11	Apr-06		
May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66	May-06		
Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61	Jun-06		

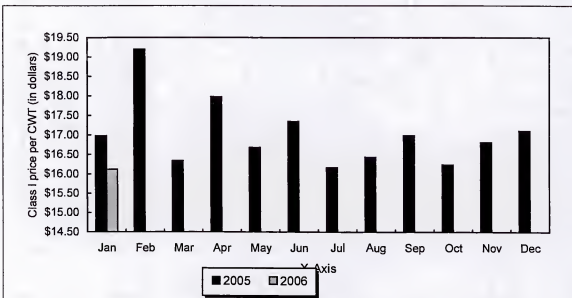
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2005	2006	Difference	% Change
January	\$16.98	\$16.12	(\$0.86)	-5.06%
February	\$19.20			
March	\$16.34			
April	\$17.98			
May	\$16.68			
June	\$17.35			
July	\$16.17			
August	\$16.44			
September	\$16.99			
October	\$16.25			
November	\$16.82			
December	<u>\$17.11</u>			
Average	\$17.03	\$16.12	(\$0.86)	-5.06%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

OCTOBER 2005: class I = \$8.93; class II = \$1.18; Class III = \$4.47; total = \$14.57

(calculations based upon utilization percentages of butterfat &amp; skim)